

6 FAH-5 H-500 FURNISHED GOVERNMENT HOUSING

6 FAH-5 H-510 FURNITURE AND APPLIANCE POOLS

*(CT:ICASS-40; 10-04-2013)
(Office of Origin: CGFS/ICASS)*

6 FAH-5 H-511 GENERAL

*(CT:ICASS-31; 01-17-2013)
(Applies to participating ICASS agencies)*

- a. Pooled furniture programs can achieve economies of scale and greatly reduce the time and effort required to oversee and manage the furniture/furnishings aspect of post housing programs. All posts with a consolidated furniture and appliance pool must establish a post policy that is approved by all participating agencies. This chapter provides interagency-approved guidance, policy and procedures for this purpose. A primary goal of the post policy is to ensure that residential furniture, furnishings, appliances, and equipment (FFA&E) are equitably provided to all subscribing agencies in accordance with the policies outlined in 15 FAM 720, Residences.
- b. A sample post furniture and appliance pool (FAP) policy is shown in 6 FAH-5 Exhibit H-511 of this chapter. Sample worksheets related to furniture pool buy-ins and annual assessment calculations are available on the ICASS website. These sample documents may be used as templates for location-specific versions that reflect the unique situation at post.

6 FAH-5 H-512 POST HOUSING POOLS

*(CT:ICASS-40; 10-04-2013)
(Applies to participating ICASS agencies)*

- a. The Department of State, as single real property manager (SRPM), manages and operates overseas housing programs to ensure the acquisition and retention of the most cost effective portfolio of residential properties that meet established safety and security requirements. Housing assignments are made by the post Interagency Housing Board (IAHB) based on position grade, family size, availability of housing units and personal preferences (see 15 FAM 212.2-

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2(C), Interagency Housing Board Responsibilities, 15 FAM 234, and 15 FAM 237).

- b. At furnished posts, the service provider is responsible for managing the housing program cost effectively. To achieve that goal, beginning in FY15 the service provider will offer customer agencies only furnished government-leased/owned housing. As agency employees rotate in/out of post starting in FY15, the agency will need to decide if it will participate in the furnished housing pool program. If an agency chooses not to participate, the newly-arriving employee will acquire housing under the living quarters allowance (LQA) or overseas housing allowance (OHA) programs. Posts must identify the limited support services (see 6 FAH-5 H-341.7-8) it can provide to assist these employees in locating housing.
- (1) Agencies that do not participate in the post furnished housing pool program will not be supported by the services covered by the post furniture and appliance pool program (see 6 FAH-5 H-341.8). While waiting for household effects (HHE) to arrive, the employee may rent furniture locally or time the start date of the LQA/OHA lease to allow for use of the Temporary Quarters Subsistence Allowance (TQSA) funded by the employee's agency.
 - (2) Posts may separate their furniture and appliance pools (by using a sub-cost center) in order to provide appliances for those residential units that are not in the residential furniture pool program (e.g., those that are acquired under LQA or OHA), if it can be done cost effectively.
- c. At some posts where safety and security issues significantly impact housing availability (i.e., high crime and/or high threat posts), all agencies must participate in a consolidated furnished housing program to ensure maximum flexibility in housing assignments and minimize related support requirements. *Each post FAP policy must indicate if LQA/OHA is a viable option for agencies that opt to not have furnished government housing. If LQA/OHA is a viable option, the post policy must indicate what support services (if any) will be available under 6148-Leasing Services (Standard posts) or 6145-General Services (Lite posts) (see 6 FAH-5 H-341.7-8). If LQA/OHA is not a viable option, post must provide a brief explanation (e.g., high make-ready costs, security issues, etc.).*

NOTE: Due to the unique mission and authorities of the Peace Corps (PC), it manages its own leasing requirements for residential and non-residential properties overseas (in coordination with the Regional Security Officer (RSO) and Post Occupational, Safety and Health Officer (POSHO)). As PC is not included in the post housing pool, these furniture and appliance pool guidelines are not applicable to PC properties.

6 FAH-5 H-512.1 Benefits of a Furniture and Appliance

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Pool

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. **Benefits:** A joint FFA&E pool includes the purchase, replacement, refurbishment, maintenance, inventory control, warehousing, pick-up/delivery and eventual disposal of non-expendable residential furniture, furnishings, appliances and equipment. This service offers a number of financial and administrative advantages to participating agencies, such as:
- (1) Allows employees and their families to move immediately into their assigned housing, reducing or eliminating the need for costly TQSA;
 - (2) Ensures fair and equal treatment of employees of all agencies;
 - (3) Permits standardization of furniture and related items that meet U.S. safety and quality standards, making it easier and less costly to maintain and manage the inventory, achieving economies of scale;
 - (4) Reduces the cost to procure and replace furniture and appliances through the establishment of reasonable and affordable replacement cycles;
 - (5) Minimizes wear and tear by moving furniture less often, thereby extending its replacement cycle;
 - (6) Allows for maintaining less excess inventory, minimizing warehouse and staffing requirements;
 - (7) Simplifies property management and accountability;
 - (8) Permits the retention of all proceeds of sale which are reapplied to the furniture program (some agencies are unable to realize this benefit);
 - (9) Increases the transparency of post expenditures for furniture and appliances and allows for a more rational use of carryover funds for the program; and
 - (10) Uses the flexibility of the no-year Working Capital Fund to provide greater consolidation of agency support costs.
- b. By keeping one inventory of furniture that is available for all members of the pool, including new arrivals as well as routine transfers, there is no lengthy period waiting for shipments to arrive. Furniture and appliances are procured on a planned cycle directly linked to post requirements.
- c. **Participation:** Beginning in FY13, all furnished posts must establish a residential FFA&E pool; State, USAID and ICASS employees are required to participate. Other agency participation is strongly encouraged but is voluntary as outlined in 6 FAH-5 H-512 paragraph b (for more details see 6 FAH-5 H-512.4 Membership).
- (1) In principle, when an agency opts to participate in a post furnished housing pool program, the decision covers all eligible positions of that agency.

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However, at posts where an agency may have employees located in the capital city as well as in distant locations, participation in the furnished housing pool program may not be appropriate for all positions. In such cases, post should work with the agency to reach a mutual agreement.

NOTE: This does not apply to an agency with a dedicated residential property which may be excluded from the pool; see 6 FAH-5 H-512.4 paragraph d.

(2) Agencies that establish short-term positions (e.g., one to five years) must decide how they wish to handle participation in the furniture pool prior to the arrival of the employee. Because it is not possible to furnish a residence without fully funding a buy-in to the pool, the agency must decide if the funds for this buy-in will be included in the start-up costs for the position (and considered a cost of doing business), or if the employee will be authorized a full shipment of personal effects (HHE) and use LQA/OHA to acquire housing (*if LQA/OHA is a viable option at post*). In the latter case, the agency must consider the length of time it takes for HHE to arrive at post and how the employee will be accommodated in the interim. All costs associated with acquiring a new property for this temporary position will be borne by the sponsoring agency. For the purposes of furniture and appliance pool participation, agencies with temporary positions will not be subsidized by other resident agencies through loans of FAP items.

- (a) *Agencies that establish short-term positions should not be charged for annual assessment costs during the period of their presence because they will not benefit from the replacement of these items. However, they must subscribe to cost center 6144 and pay their share of the ongoing service costs. To address this requirement, post must create a sub-cost center and budget only the annual assessment amount (comprised of the total costs for the actual FFA&E plus related shipping costs) included in the target; the workload would include all agencies in the main cost center except the agency with the short-term positions. To offset this exception, the FFA&E purchased for this temporary position will remain the property of the ICASS FAP; the provision outlined in 6 FAH-5 H-512.5 paragraph e(2) will not apply.*
- (b) *Recognizing that up to 50 percent of the residual value of the agency-funded FFA&E will accrue to the ICASS FAP, that value will offset any required replacements during the initial seven year period (i.e., appliance failure).*
- (c) *Tenant responsibilities vis-à-vis damage assessments remain unchanged.*
- (d) *In cases where the temporary position exceeds seven years at post and/or becomes a permanent position, the agency will be required to fund all prior year annual assessment costs in order to retain its subscription to the FAP and remain in the housing pool. This provision*

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will begin in FY14 and there will be no "refunds" or other adjustments for prior year collections that may have been assessed.

NOTE: The NSDD-38 request must appropriately identify the position as short-term or of limited duration to be considered for this exception.

- d. **Allocating Costs:** Costs are equitably shared through the use of cost center 6144–Household Furniture and Appliance Pool Services which allows for costs to be spread to only those agencies participating in the pool (See 6 FAH-5 H-341.8). Those posts that separate their furniture and appliance pools must create a sub-cost center in 6144 and ensure that management (i.e., time allocations) and other costs are appropriately budgeted.

6 FAH-5 H-512.2 Operational Guidelines

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. Irrespective of the original funding source for pooled FFA&E, all items come under the operational control of the General Services Office (GSO) for use in the pool (see 14 FAM 411.2-1, Property Management Officer) and become the property of ICASS in accordance with the procedures outlined in 14 FAM 415.1-2. When these items are sold, all proceeds of sale are returned to the furniture pool to offset future furniture procurements and/or the general calculation for annual assessments.
- b. Housing assignments *are made as outlined in 6 FAH-5 H-412 paragraph a*; they are "blind" to the age/condition of furniture in a particular residence. Consequently, it is possible that a new employee occupying a new position, where the agency has funded start-up costs that included a new set of furniture, may be assigned to a residential property that has "used" furniture. The goal of this policy is to ensure that all employees of subscribing agencies receive a standard set of furniture that meets the post's established quality and condition parameters.

6 FAH-5 H-512.2-1 Basic Principles

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. All employees are treated equally regardless of agency affiliation;
- b. The GSO/Accountable Property Officer provides FAP items to all pooled housing units according to the standard schedule of items (see 15 FAM Exhibit 723A) and agreed to by the post IAHB and Budget Committee (see 6 FAH-5 H-512.2-2 paragraph a).
- c. Mattresses and box springs may be replaced every four years *(or every two assignment cycles, whichever is longer)* unless circumstances dictate a longer replacement cycle. Post should consider the occupancy/use of bedrooms in

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calculating *replacement* requirements (e.g., *bedrooms that are occasionally used would not require frequent replacement*). *Recognizing that some agencies have atypical assignment cycles (e.g., assignments greater than four to six years), the GSO should exercise good judgment in applying this replacement criteria.*

- d. All FFA&E is owned and managed through ICASS; minimal surplus stock is maintained in the ICASS-managed warehouse. There are no separate residential furniture inventories maintained for the State Department or any other agency (see NOTE). Non-standard items required for specific operational needs will not be maintained or supported by the service provider and all costs associated with such requirements will be borne by the owning agency. This limitation does not apply to dedicated housing (see 6 FAH-5 H-512.4 paragraph c) that is not included in the furniture pool program.

NOTE: This does not include residential inventories maintained for designated residences (see 6 FAH-5 H-512.4 paragraph c).

- e. To maintain post standards for all tenants, a basic set of furniture must remain in each housing unit. Upon arrival, residents are authorized to a one-time removal of certain furniture items (post must identify the limited items in this category) and/or moving/rearranging services for his/her quarters. Basic furniture items may not be removed and stored at US Government expense. Posts should make every effort to accommodate varying family sizes and configurations when furnishing a residential property. Incoming employees should be advised in advance what furniture items may be brought to post and limitations on what can be removed. They should also be advised that personal items may not be stored in the embassy warehouse.
- f. From FY13 through FY15, the service provider should take all practical measures to ensure that agencies that subscribe to furniture and appliance pools do not subsidize agencies that are not subscribed. To the maximum extent possible, non-subscribing agencies must be charged the costs related to the moving, storage and redelivery of affected pooled furniture, as well as the moving, storage and redelivery of non-pooled items. Non-pooled residential furniture and furnishings should be stored commercially at the expense of the owning agency.

NOTE: Posts that have adequate storage space in the embassy warehouse may store other agency residential furniture and use the warehouse cost pool (see 6 FAH-5 H-314.2 paragraph c(2)) to charge the agency for dedicated storage space. If additional warehouse space is needed for official requirements, non-pooled residential property should be identified for alternative commercial storage charged to the owning agency.

- g. In fairness to the subscribing agencies that pay to support the furniture pool program, non-subscribing agencies may not "borrow" items from the furniture and appliance pool inventory or provide a fund cite to purchase items from the post stock.

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6 FAH-5 H-512.2-2 Replacement Schedule and Annual Assessment

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. The recommended first step in establishing a post furniture pool program is to identify the items to be covered in the post program; see 15 FAM 720, Residences, for an explanation of what may be included. Post conditions will also be a factor in determining what appliances and other furnishings may be required. Post should consider establishing a furniture pool working group, a subset of the post IAHB, which would develop a list of items to be provided to all participating agencies.

NOTE: The post IAHB does not have independent funding authority and may not establish requirements without collaborating with the post ICASS Budget Committee to determine post's affordability and what can be provided in the standard furniture/furnishings package.

- b. Once the list of items is approved, the GSO must develop the replacement schedule and cost it out (see 14 FAH-1 H-213), including all shipping and handling costs (see samples on the ICASS website). These totals will be used to calculate the annual assessment costs which may fluctuate depending on the calculated requirements offset by the application of any proceeds of sale, recoveries or carryover directly related to the FFA&E program. Each agency's share is based on the total number of units included in the FFA&E pool.

NOTE: If the *FFA&E for the FAP* is totally funded outside of ICASS (i.e., using the DN collection process), costs for furniture, furnishings and appliances for ICASS employees must be budgeted in the various USDH cost pool(s) in the ICASS software. If the *FFA&E* is funded inside ICASS, the cost pool should not be used and all furniture and appliance costs for ICASS employees and other agency subscribers is budgeted in the 6144-Household Furniture, Furnishings and Appliance Pool cost center (for more details see 6 FAH-5 H-512.3).

- (1) When developing the replacement schedule, post should build in flexibility for ordering by rooms or pieces of furniture rather than ordering complete residential sets of furniture. This will minimize the accumulation of excessive surplus stock.
- (2) Posts should make every effort to identify cost effective means to extend the life of the basic furniture sets. Some examples include: Refinishing the flat surfaces of wooden furniture can be a reasonable way of extending the life of those items; Upholstered furniture can often be economically recovered several times before actually being replaced (posts can procure suitable fabric that meets US safety standards off the GSA schedule *or from the furniture contract*); Another option is the purchase of slip covers for upholstered furniture (these are available under the current furniture contract).

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- (3) Local climate and other indicators will be the primary factors in determining the actual replacement cycle for furniture and appliances. However, all posts must use the established 12-year replacement schedule for all wood and upholstered furniture and determine appropriate replacement schedules for other items, depending on post circumstances. Posts seeking an exception to the 12-year replacement cycle must submit a justification to the regional bureau (with a copy to ICASSServiceCenter@state.gov) and obtain approval from the regional bureau executive office before implementing any replacement cycle less than twelve years. Posts should ensure that the items they procure are appropriate for local conditions.
- (4) The final projected annual assessment must be approved by all agencies participating in the FAP. Depending on the funding source for FAP items, the final approved costs are either budgeted in 6144-Household Furniture and Appliance Pool Services (and included in the post target) or collected outside of ICASS (see 6 FAH-5 H-512.3 Funding). In either case, the post budget must reflect the total requirements for the FAP.

d. In calculating post FAP requirements, GSO must conduct an analysis of the post's residential housing inventory and assess the mix of houses and apartments in the pool program. This analysis should include requirements for additional living room or den furniture, the need for certain "accent" pieces, the total number of bedrooms in the pool, etc. This analysis should be used as the basis for determining both the initial buy-in to the program as well as the annual assessment.

NOTE: When items reach the end of their projected life cycle, they should be reappraised to determine if their condition warrants replacement (see 14 FAH 1 H-216.1, Reappraisal).

e. **Generators:** Posts that require generators for residential properties must coordinate their requirements with the Department of State's Bureau for Overseas Building Operations (OBO, see 15 FAM 645.3, Emergency Generators and Uninterruptible Power Systems). For new positions, the purchase of a generator is the responsibility of the funding agency as part of the initial start-up costs; the occupying agency(ies) funds the ongoing maintenance costs of residential generators. ICASS does not fund the cost of replacement generators.

f. **Residential Welcome Kits:** To facilitate an employee's immediate move into assigned residential quarters, some posts provide a welcome kit. In some posts, welcome kits are managed by the employee association and in others it is a GSO function. If the GSO section provides welcome kits, they must be handled like all other U.S. Government property with regard to issuance and disposal.

NOTE: Until FY15, posts may continue to budget for welcome kits in 78xx-Building Operations/Residential. However, once this policy is fully implemented, these costs will shift to cost center 6144.

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6 FAH-5 H-512.2-3 Buy-Ins to Post Furniture and Appliance Pool

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. All Washington agencies support the concept of in-kind "buy-ins" to facilitate the creation of a joint furniture pool program. Based on the post replacement cycle, each post must establish criteria for reviewing the property of newly-subscribing agencies to determine what the actual dollar value buy-in *assessment* amount will be (see 6 FAH-5 H-512.4 paragraph b). For example, *with a 12-year replacement cycle*, an agency with one-year old furniture would be given significantly more "credit" than an agency with eight-year-old furniture. If post has an active refinishing/reupholstering program, the owning agencies may be asked to use those contracts (on a direct charge basis) before their furniture will be brought into the program. The goal is to ensure that clean, good quality furniture is made available to all participating agencies.
- b. Based on post's list of standard FAP items, each post must establish the full cost to buy in to the post furniture and appliance pool. Posts should include this total in the list of start-up costs for all NSDD-38 (National Security Decision Directive) requests for new American positions.

NOTE: Each post must establish its buy-in costs based on the average housing size in the post housing inventory.

6 FAH-5 H-512.2-4 Tenant Responsibilities

(CT:ICASS-31; 01-17-2013)

(Applies to participating ICASS agencies)

- a. The post IAHB is responsible for ensuring the preparation of a post housing guidebook that includes a section relating to tenant responsibilities (see 15 FAM 212.2-2(C) paragraph b(8)). Post must ensure that the guidelines established for tenants are equally applied to all employees.
- b. In accordance with established guidance (see 14 FAM 416.3, Residential Furniture and Equipment), oversight and control of the furniture pool program is managed through the check-in/out process. Upon moving into assigned quarters, the employee and a representative from the GSO/property management office must review the detailed inventory of FAP items in the residential unit. This check-in inventory must be certified and signed by the employee and the property management office within thirty days of moving into the residential unit.
- c. Upon departure from post, the employee is liable for any damage to furniture or appliances that are considered beyond normal wear and tear (see 15 FAM 247, Surrender of Residential Quarters and 14 FAM 416.5, Reporting Damaged, Missing or Destroyed Property). Damage from pets is not considered to be

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normal wear and tear and will be billed to the employee (see 15 FAM 245, Pets). Liability is based on the full depreciated value of damaged or missing items as outlined in 14 FAM 416.5-3, Employee Liability.

NOTE 1: Post must establish effective procedures to ensure that all agencies adhere to the established check-out process and that all employees meet their financial obligations for any assessed damages prior to departure.

NOTE 2: Appeals of decisions made by the Property Management Officer follow the procedures outlined in 14 FAM 416.5-5, Employee Appeals).

6 FAH-5 H-512.2-5 Disposal of Pooled Property

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

Pool-owned items are disposed of at the end of their useful life in accordance with 14 FAM 417, Disposal of Personal Property. All proceeds of sale are returned to the FFA&E pool program and used to offset the annual assessment costs for replacement furniture and appliances. In addition, any recoveries or prior year carryover related to the FAP is directly applied to the requirements of the program. This may result in some fluctuations in the overall target requirements of the program but will ensure that appropriate funding levels are maintained for the furniture pool program.

NOTE: At those posts where *FFA&E* costs are funded outside of ICASS, any carryover, recoveries and proceeds related to this portion of the furniture program must be applied to the annual assessment calculation (see 6 FAH-5 H-512.3 paragraph b(2)).

6 FAH-5 H-512.3 Funding

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. Funding a post furniture and appliance pool includes not only the costs for the actual FFA&E (plus related shipping and handling costs), but also the management and support costs for the program. To ensure transparency in the management of this program, posts with a furniture pool must utilize the 6144-Household Furniture, Furnishings and Appliance Pool Services cost center and ensure that budgeted costs include appropriate time allocations for all employees who support this service, as well as any contracts, equipment, supplies and vehicles related to this service (see 6 FAH-5 H-341.8, Household Furniture, Furnishings and Appliance Pools Services).
- b. There are two options for funding *the FFA&E (plus shipping) portion of* FAPs. One incorporates all funding in ICASS through the target setting process. The second option allows for the collection of funds directly from the agencies outside of ICASS, and then bringing it into the Working Capital Fund (WCF).

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Post must select one funding option to meet its *FFA&E (plus shipping)* requirements (*see NOTE following paragraph (2)(b) in this section*).

- (1) **Funded in ICASS:** When the FAP is funded entirely within ICASS, all costs are budgeted in cost center 6144 - Household Furniture, Furnishings and Appliance Pool Services, including the cost of the FFA&E plus related shipping and handling charges. The GSO calculates the annual assessment based on the requirements for the coming year and the number of houses in the furniture pool program (see 6 FAH-5 H-512.2-2, Replacement Schedule and Annual Assessment). This calculation is offset by carryover, recoveries and proceeds of sale funds directly related to this cost center. All participating agencies must agree on the amount of the annual assessment to be used in the ICASS budget. When budgeting for FFA&E (sub-object code 3123), post must accurately identify its requirements and meet them using target or carryover funds (shipping and handling costs related to SOC 3123 is budgeted to *SOC 2224-Transportation of U.S. Government-Owned Household Furniture, Furnishings and Equipment*). *To ensure that FAP requirements are based on the established annual assessment, posts may apply non-FAP carryover, with ICASS Council approval, to meet these requirements only if the target did not include the full requested amount. Once applied to the FAP requirements, this carryover will be included in the fenced FAP funds.*
- (2) **Funded outside of ICASS:** When the *FFA&E* is funded outside of ICASS, the funds collected cover only the cost of the projected FFA&E requirements plus related shipping and handling costs (essentially all items covered by SOCs 3123 and *2224*); budget all other management and support costs in ICASS in cost center 6144. The GSO calculates the annual assessment based on the requirements for the coming year and the number of houses in the furniture pool program (see 6 FAH-5 H-512.2-2 Replacement Schedule and Annual Assessment). This calculation is offset by carryover, recoveries and proceeds of sale funds directly related to this cost center. All participating agencies must agree on the amount of the annual assessment and it is collected through the DN Process (for more details, see the instructions on the ICASS SharePoint site). Once the assessments are collected via the DN process, they are returned to post as no-year funds solely for use in the furniture pool program. This method provides more post control over the annual assessment collection and allows for the use of the funds throughout the upcoming fiscal year.
 - (a) Posts that use the DN collection process must record their annual assessment calculations in the "requirements" column of the Budget Summary Worksheet (BSW) against SOC 3123-Household Furnishings and related shipping/transportation to SOC *2224-Transportation of U.S. Government Household Furniture, Furnishings and Equipment*. Post will offset these requirements with the agency DN collection amounts, reflected in the "Adjustments" column; no target funds may

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be applied to these requirements (except as noted below in paragraph b). Post must note in the comments section of the BSW that funds have been collected through the DN process in the amount shown in the "Available Funds" column.

- (b) The annual assessment amounts for 1901.0-ICASS are also included in the requirements column of the BSW for SOCs 3123 and 2224. However, these costs are budgeted to the USDH cost pools and spread to cost centers through the USDH time allocation process. Costs for 1901.0-ICASS are covered by regional bureau *ICASS* target funds.

NOTE: Posts may also use the DN collection process for new position buy-in costs *or buy-in assessments* for agencies that subscribe to the furniture pool program, irrespective of whether the furniture pool is funded inside or outside of ICASS. This will allow posts to expend these funds as needed throughout the fiscal year.

- c. Whether funded inside or outside of ICASS, *FFA&E* replacement costs are considered a discretionary item for budgetary purposes and such purchases are always at risk of cuts in tight budget years. Therefore, the participating agencies must decide collectively each year how much post can afford to invest for replacement FFA&E. Posts must carefully track carryover, recoveries and proceeds of sale related to this program to ensure participating agencies achieve the maximum benefit of the funds invested in the FAP. Funding identified for the furniture pool program (i.e., target funds, proceeds of sale, carryover, recoveries, DN collections, etc.) must be "fenced". The expectation is that furniture pool funds budgeted and invoiced in one year but not expended will be carried over and applied to the furniture pool budget in the following year, reducing the annual assessment requirement. *The affected "fenced" SOCs budgeted to cost center 6144 are: 2201(only residual amounts from prior years), 2224, 2288, 2597, and 3123.* Post may not use "excess" furniture pool funding *from these SOCs* to meet other *non-FAP* requirements.
- d. The services covered in this cost center are outlined in 6 FAH-5 H-341.8, Household Furniture, Furnishings and Appliance Pools Services and include the warehousing, storage, pick-up/delivery, removal, disposal, inventory control, repair/reupholstery (where available) of FAP items. Similar services provided under cost center 6143-Non-Expendable Property Management Services relate primarily to non-residential property requirements and agencies subscribe separately to that cost center.
- e. **Make-ready and Start-Up Costs:** Not included in the costs for the furniture pool are the make-ready/start-up costs associated with new leases (see 15 FAM 162.2, Short Term Leased Space, paragraph d. Preparation for Occupancy of STL Residences, and 15 FAM 165.3, Residential Short-Term Leased Properties). These costs are borne by the occupying agency and, over time, even themselves out across the agencies. Residential make-ready costs may include but are not limited to:

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- (1) Painting;
- (2) Cleaning the residential unit;
- (3) Residential repairs/upgrades not funded by the landlord; and
- (4) Security/safety upgrades not funded by the landlord.
 - (a) Security upgrade costs for new positions are funded by the sponsoring agency.
 - (b) Security upgrades for routine new leases required to maintain the post housing pool are funded by DS (see 15 FAM 165.3)

6 FAH-5 H-512.4 Membership

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. New Positions: Eligibility to participate in the furniture pool is determined by housing pool eligibility as defined in 15 FAM 211, 15 FAM 233, and 15 FAM 242. At furnished posts, when a new eligible position results in a net staffing increase for an agency (see NOTE 1), the agency must decide if the position will be included in the post furnished housing program or use LQA or OHA to obtain residential quarters (see 6 FAH-5 H-512.1, paragraph c.2). If the agency selects furnished U.S. Government housing, it must provide a fund cite to cover the cost of a complete set of basic furniture and appliances (or appropriate "in-kind" buy-in that meets post requirements) in order to bring the position into the pool. This "buy-in" amount includes the cost of a complete basic set of furniture, furnishings and appliances, including associated shipping and handling costs. In the following fiscal year, this position will be added to the 6144-Household Furniture and Appliance Pool Services cost center in order to share in the ongoing costs for managing and maintaining the program. Depending on the timing for the new position, if a Partial Year Invoice (PYI) is prepared, cost center 6144 may be included to cover the management costs of this service (see 6 FAH-5 H-392, Partial Year Invoice Module).

NOTE 1: For the purposes of furniture pool participation, a net increase for an agency will be considered at the Department level for that organization at post. For example, if a new position for the Department of the Air Force (for any ICASS agency code) is established and a position for the Department of the Army (or any other DOD element) were abolished at the same post, there is no net increase in DOD staffing and the new Air Force position could assume the existing DOD-Army subscription to the furniture and appliance pool, with an appropriate shift in the workload count. Such offsets must occur within a twelve-month period to facilitate tracking and workload counting. The downsizing agency must concur with this decision.

NOTE 2: The PYI calculation in the software automatically excludes the costs related to FFA&E items, so there is no double-charging for this cost, even if a

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post funds *these items* in ICASS.

- b. **Existing Positions:** For existing positions, posts must establish criteria for an agency to “buy in” to the program with its existing furniture (see 6 FAH-5 H-512.2-3, Buy-Ins to Post FAP). If the items are found to be in acceptable condition, the value of the items will be pro-rated based on post’s established replacement cycle and the age of the furniture. If some or all of the items do not meet the post standards and are not suitable for inclusion in the pool, the agency must provide a fund cite for the purchase of replacement items, as well as any items on the post standard list of FFA&E missing from the agency’s inventory. Any items which can be used by the pool will be assessed using the pro-rated formula noted above. This funding would be collected in the year that the agency joins the furniture and appliance pool; the agency will not be assessed any additional amounts for FFA&E in that fiscal year.
- c. **Exceptions:** Certain residences have separate funding sources for the procurement of furniture and appliances and are not covered in the furniture pool program. Their requirements and furniture are to be kept separate from the FAP program and ICASS-funded property may not be issued to these residences. These exceptions include the designated residences for the:
- (1) Chief of Mission (CMR);
 - (2) Deputy Chief of Mission (DCR) (see NOTE);
 - (3) Principal Officer (POR);
 - (4) U.S. Representative to an international organization;
 - (5) Marine Security Guard Quarters (MSGQ).
 - (a) The furniture and furnishings for the MSGQ may be procured via the same contract as the post furniture program, ordering by rooms instead of complete sets of furniture, as appropriate. Funding for furniture and furnishings for the MSGQ must be requested from DS/IP/SPC/MSG (see 15 FAM 725, Marine Security Guard Quarters).
 - (b) At all furnished posts, the furniture and furnishings requirements for the separate residences of the detachment commander, assistant detachment commander and regional command staff are included in the post furniture pool program and the workload counts charged to agency code 1931.0-State-MSG Support. Under existing agreements, the regional bureaus pay all ICASS costs for 1931.0-State-MSG Support (see NOTE 2). For the FFA&E costs included in the 6144 cost center, appropriate reimbursement amounts are collected from the Marine Corps at the headquarters level and returned to the regional bureaus. Buy-in costs for new Detachment or Regional Commander and staff positions, as well as ongoing FFA&E costs for Detachment Commanders at unfurnished posts, are funded by DS/IP/*SPC*/MSG.

NOTE 1: Furniture requirements for DCRs are funded either by OBO or the

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regional bureaus as outlined in 15 FAM 722 paragraph c; these costs are not funded in ICASS. In the rare post where the DCM and management officer positions are combined, the costs for FFA&E may be shared using the “non-ICASS dual position” feature of the ICASS software and the ICASS share is budgeted in the cost pool for the management officer. Posts should consult with the regional bureau for guidance.

NOTE 2: At posts that collect furniture pool annual assessments outside of ICASS, costs for 1931.0-State-MSG Support should be included in the assessment for 1900.0-State Diplomatic and Consular Programs (D&CP) and reimbursement will be handled at the headquarters level.

NOTE 3: USAID Trust-Fund property is not included in post housing pools and is excluded from this policy.

- d. **Dedicated Housing:** At some posts, it may be appropriate to exclude dedicated housing (i.e., properties specifically identified for a senior agency representative; see 15 FAM 262, Dedicated Housing and 15 FAM 235.3) from the post FAP; such decisions will be made by the occupying agency. In such cases, the costs for all FFA&E and related charges (including transportation, storage and inventory) are the responsibility of the owning agency. If an agency wishes to include its dedicated residence in the FAP, a weighted workload count of “1.2” will be assessed for each dedicated residence. Because dedicated residences typically have additional appliances (e.g., freezer, refrigerator, stove) and furniture (e.g., living room sets, larger dining room tables, more bedrooms), the weighted count will spread proportionately more costs to the benefitting agencies. If a dedicated residence is included in the FAP, all FFA&E will be considered ICASS property and be maintained in the ICASS inventory system.
- e. **TDY Quarters:** If post has furnished Government-owned or leased residential units dedicated for use by TDY employees, every effort should be made to utilize only surplus “used” furniture pool items for these units. If furniture is procured for these units, it must be charged to 1901.0-ICASS and spread to all agencies, with the concurrence of the post Budget Committee.
- f. **Participation by certain DOD Personnel and Entities not under COM Authority:** Before providing housing assistance to employees in these categories, posts should review the guidance in 6 FAH-5 H-394.3 paragraph c (Limitations on Services) and 15 FAM 261.4, Housing for Certain Department of Defense (DOD) Personnel.

6 FAH-5 H-512.5 Workload Counts

(CT:ICASS-40; 10-04-2013)

(Applies to participating ICASS agencies)

- a. The distribution factor for 6144-Household Furniture and Appliance Pool Services is the total number of residential units in the pool. The count is taken

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on May 1 of each year and may be adjusted for growth (additions to the furniture pool) or withdrawal from the program per the guidance in 6 FAH-5 H-333.3, Changing Workload Counts. Positions that are vacant on May 1 are counted in accordance with the guidance in 6 FAH-5 H-333.2, Calculating Workload Counts, paragraph b(3).

- b. When a customer agency informs the service provider that a position will be vacant for the upcoming fiscal year but is not being abolished, no workload count will be included for the upcoming fiscal year and the agency will incur no charges for the post FAP. Any costs associated with downsizing the housing pool and/or removing/storing furniture will be charged to 1901.0-ICASS.
- c. If a position remains vacant for a second year but is not being abolished, the customer agency has two options:
 - (1) In order to retain its funded status in the FAP (i.e., it has, to date, paid its buy-in and related annual assessments) , the agency will accept a workload count in 6144-Furniture and Appliance Pool Services until it decides to abolish the position; or,
 - (2) The agency may opt out of the FAP, no workload will be counted for the agency in that fiscal year and when/if the position is filled in a future year and the agency must buy-in as for any new position. Requiring the agency to maintain its financial support for the FAP ensures equity for all other participating agencies.
- d. **Downsizing:** If an agency downsizes its presence at a post for any reason, it forfeits its contributions made to the pool and no "credit" or other out-year offset is provided. Post may dispose of any resulting surplus items and the proceeds of sale must be applied to the post furniture and appliance pool program. Changes to the agency's workload counts resulting from the downsizing are made in accordance with the guidance in 6 FAH-5 H-333.3, Changing Workload Counts; six months advance notice is not required as long as the agency is not totally withdrawing from this service.
- e. **Withdrawal from Service:** If an agency plans to completely withdraw from this service for any reason, it must give the service provider six months advance notice as required in 6 FAH-5 H-016.5, Termination Notice (i.e., by April 1 or October 1) and the related workload counts will be adjusted accordingly; the agency forfeits its contributions made to the pool.
 - (1) Beginning in FY15, agencies voluntarily withdrawing from the furniture pool will be required to exit the Government-leased housing program upon the transfer/rotation of the employee and use the LQA/OHA program to meet their staff housing requirements.
 - (2) As a former subscriber to the post FAP, the agency may take ownership of the FFA&E in the occupied unit(s), but it assumes all responsibility for inventorying, moving and storing the items; these items will be transferred from ICASS to the agency. If the agency opts to not take ownership of the

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FFA&E, the items will be returned to the ICASS inventory for appropriate disposition. Ongoing leasing support for this agency would be in accordance with the guidance in 6 FAH-5 H-512 paragraph b. *This provision does not apply to agencies with short-term positions (see 6 FAH-5 H-512.1 paragraph c (2)).*

- f. **Tandem Employees:** As outlined in 6 FAH-5 H-353, all costs related to housing are shared equally by the parent agencies of the tandem couple; for 6144-Household Furniture and Appliance Pool Services, each member would be counted as .5. This means that when the annual assessment is budgeted in ICASS (i.e., included in the target), the agency of each member of the tandem couple will be billed for one half an annual assessment. When the annual assessment is collected outside of ICASS, the same approach is used and each agency is charged one half of the annual assessment. However, if half of a tandem couple occupies a new position, the agency with the new position must provide a fund cite for the full buy-in cost and post will apply the funds to the FAP budget. All newly established positions must be assessed the full FAP buy-in cost irrespective of whether such positions are temporarily part of a tandem. In the year the position is first established, post may have to make adjustments to ensure the agency is not billed a full buy-in and an annual assessment (e.g., for ease of budgeting, the total annual assessment being billed through ICASS may be subtracted from the buy-in assessment amount). In subsequent years, no adjustment is needed for this tandem couple and the .5 workload counts will appropriately share the costs.

6 FAH-5 H-513 THROUGH H-519 UNASSIGNED

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6 FAH-5 Exhibit H-511
Sample Post FAP Policy

(CT:ICASS-40; 10-04-2013)
(Applies to participating ICASS agencies)



Embassy of the United States of America

City, Country

Date XXXXXXXX

Administrative Announcement

SUBJECT: Mission Furniture and Appliance Pool Policy

1. Purpose

This document sets forth the policy and guidelines for Mission XXXXX's residential furniture and appliance pool program in accordance with 6 FAH-5 H-510. Agencies must subscribe to cost center 6144-Household Furniture, Furnishings and Appliance Pool Services in order to receive the benefits of the furniture and appliance pool program (hereinafter referred to as FAP). This policy has been approved by the post ICASS Council.

2. Goals

The primary goal of the FAP is to ensure the equitable and cost effective provision of adequate furniture, furnishings, appliances and equipment (FFA&E) to all subscribing agencies. Under this policy, all agencies are treated the same and no agency receives preferential treatment. The FAP is intended to achieve economies of scale by maximizing agency participation in the FAP to limit stays in temporary quarters, extend the life cycles of FFA&E, and streamline warehouse and support requirements. Post will make every effort to ensure that all property in all residential units meets the minimum condition standards agreed to by the post Interagency Housing Board (IAHB) furniture pool committee.

3. Scope

This policy applies to all subscribers to the mission FAP. Beginning in FY2015, all newly-arriving employees who are eligible for government-provided housing must either join the post furnished housing program or locate privately-leased housing

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on the local market (LQA/OHA). This policy identifies the services available to subscribers and non-subscribers to the FAP.

Excluded from the FAP are the residences of the Chief of Mission, Deputy Chief of Mission, Principal Officer, and the Marine Security Guard Quarters and certain dedicated residences. These properties have separate funding sources that cover their FFA&E requirements.

4. Determining Standard FFA&E

Based on the post housing profile, the post IAHB furniture pool committee, working with the ICASS Budget Committee, has established the list of basic FFA&E items to be provided to each residential unit (see attached). The actual items provided to each residence will depend on the size of the property and the family configuration of the assigned occupant. Each year this list will be reviewed to determine if any adjustments are required either because of affordability issues or changes in requirements.

This same list of basic items is used to determine post's buy-in requirement for new eligible positions. While not every housing unit can be furnished with all these items, post's calculation is based on the average housing size in the post housing pool.

These basic items must remain in the unit, however, upon arrival post will allow a one-time removal of certain supplemental items (as identified on the attached list) and provide assistance in rearranging the remaining furniture. The addition of your personal furnishings to the basic items provided will make your assigned unit your home.

NOTE: All agencies should advise incoming employees in advance that GSO will not/not remove basic furniture items in order to accommodate personal furniture items shipped to post.

5. Privately-Leased Quarters

The mission does not provide furniture or furnishings to employees occupying privately-leased quarters (LQA/OHA). Post does not have loaner furniture available for employees in LQA/OHA housing and agencies should ensure that appropriate arrangements are made for temporary quarters or other alternatives until the employee's HHE arrives. Post will provide basic appliances (i.e., to be completed by post) to LQA/OHA residences and all related costs for the purchase and shipping, as well as the delivery and installation, are charged to the sponsoring agency.

For employees on LQA/OHA, the GSO section will provide a list of reputable real estate agents/property managers who can assist in locating suitable housing. We will also provide a copy of the standard lease format, translate it (if needed), and assist in establishing connections with local utilities.

6. Replacement Schedule

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In accordance with established policy, for budget and planning purposes the replacement cycle for all furniture items is 12 years; appliances and some furnishings have a shorter lifecycle. However, each year GSO will assess the condition and age of FFA&E during the check-out process to determine which items need to be replaced or refurbished. Irrespective of the age of an item, if it is in good condition and can be cost effectively refurbished (if needed), it will not be replaced and those savings will be folded into the calculations of our actual requirements. Our goal is to maximize the lifecycle of all furniture pool items to keep our costs affordable while maintaining high standards for our program.

In accordance with the policy, mattresses are not on a 12-year replacement cycle and they will be replaced every four years (*or every two assignment cycles, whichever is longer*) unless circumstances dictate a longer or shorter replacement cycle. Occupancy and use of bedrooms will be a major factor in this determination.

7. Tenant Responsibilities

Participating agencies are responsible for familiarizing themselves with the basic guidelines of the furniture pool policy outlined in 6 FAH-5 H-510 and ensuring their employees are aware of tenant responsibilities. During the check-in/check-out process, the tenant will participate in a review of the inventory and the condition of the items. For the check-in process, the tenant will be given thirty days to sign and return the inventory which includes acknowledgement of financial responsibility for damage or loss as determined by the Property Management Officer (see 14 FAM 416.3). For the check-out process, the tenant will be required to settle any damage assessments prior to departure from post. The post IAHB has agreed that all employees with pets will be required to personally fund the professional cleaning of all upholstered furniture, in addition to any assessed damage charges.

8. Welcome Kits

Post has available a limited number of basic welcome kits with sheets, towels, pots, pans, tableware and miscellaneous kitchen items to allow employees to immediately occupy their assigned housing prior to the arrival of their air freight and/or household shipment. To minimize temporary housing costs, every effort is made to move incoming employees directly into their assigned housing upon arrival at post. Employees are strongly encouraged to use their air freight allowance to include those items needed immediately upon arrival at post. Welcome kits must be returned to GSO in clean and usable condition.

9. Furniture and Appliance Pool Buy-ins

All agencies are encouraged to participate in the post FAP. In accordance with the methodology outlined in 6 FAH-5 H-510, when first joining the pool, post will accept "in-kind" contributions, supplemented with assessed monetary charges as needed, based on the age and condition of agency furniture. Post uses the Department of State's furniture contract in order to maintain a standard inventory

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of items that are easily incorporated in the FAP. Appliances and other supplemental items are procured from various sources to accommodate local voltage, ensure good quality and reasonable prices.

When a new position is established and the agency opts to join the furnished housing program, the start-up costs identified in the NSDD-38 cable must be collected prior to the arrival of the new employee. Payment of the start-up costs does not guarantee that agency's employee will be assigned new furniture; rather, the employee will be assigned to an appropriately-sized residential unit as determined by the post IAHB, furnished as noted in section 4 above. *The current new position buy-in cost is \$XX,XXX.*

10. Annual Assessments and Funding

Beginning in FY2013, furniture pool funds are fenced within the ICASS budget. All FAP collections (e.g., buy-ins for new positions or buy-ins for new subscribers) and any FFA&E funds included in the target may only be spent on FAP items. These funds are fenced to maintain the integrity of the FAP and ensure requirements can be met throughout the year; any unused amounts are carried over into the following year and may only be applied to ongoing FAP requirements.

The GSO and FMO will review FAP funding requirements annually. Based on the 12-year replacement schedule and the actual condition of the existing inventory, post will calculate its requirements to maintain the FAP. This amount will be offset by recoveries and proceeds of sale and will take into consideration buy-in collections and available carryover funds. The GSO and FMO will present their recommendations to the ICASS Budget Committee for approval and inclusion in the post budget. Because this annual assessment essentially prorates the depreciation of FFA&E items, there will always be carryover amounts earmarked for this program. If these amounts exceed our requirements, we will make the necessary adjustments to reduce the annual assessment and pass the savings on to the participating agencies. *The current annual assessment amount is \$X,XXX.*

11. Workload Counts

Workload counts (number of residential units for each agency) will be calculated on May 1 of each year, following the guidance in 6 FAH-5 H-341.8, as well as H-512.4(d) and H-512.5. Positions that are temporarily vacant are included in the workload counts for the upcoming fiscal year. Changes to workload counts (e.g., downsizing, withdrawal, long-term vacancies) will follow the established guidance.

12. Moving of Furniture

The ICASS budget includes all costs associated with routine moving of pooled furniture. Beginning in FY2013, when a new housing assignment requires the movement of non-pooled furniture to another unit or to storage, all costs associated with moving the non-pooled residential furniture will be direct charged to the owning agency. These charges may include: the cost of moving the non-pooled furniture out of the residence, moving pooled furniture into that residence (if assigned to a FP participant), and moving the non-pooled furniture into a new

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residence. *The goal is to limit unnecessary moving costs charged to the FAP and reduce wear and tear on the furniture, thereby extending its useful life.*

13. FAP Inventory

All items purchased for the FAP are considered ICASS property and will be inventoried and managed by GSO in accordance with Department of State property regulations. When agencies join the FAP with "in-kind" buy-ins, appropriate property transfer documents will be completed to bring those items into the ICASS inventory system and allow the agency to remove them from its records. When these items have reached the end of their useful life, they will be disposed of and any proceeds of sale will be applied back to the furniture pool program.

Attachments: 1. List of standard furniture and furnishings *showing new position buy-in cost*
2. Annual Assessment calculation *showing lifecycle for each item*